

Privacy and the Internet: Your Expectations and Rights Under the Law

Second Edition

Revised and Updated by
Margaret C. Jasper

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To My Husband Chris

Your love and support
are my motivation and inspiration

To My Sons, Michael, Nick and Chris

-and-

In memory of my son, Jimmy

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INTRODUCTION

The Internet has become a significant source of both commercial and financial activity, and has become this nation's primary medium for the exchange of news, mail, and general information. Unfortunately, these great benefits expose Internet users to serious privacy risks, which can lead to catastrophic results. Thus it is crucial that Internet users understand how to safely and securely "surf the net," without exposing themselves to all sorts of criminal activity and other intrusions into their personal information.

This Almanac discusses some of the most important security methods, including the effective use of passwords, utilizing virus software, installing firewalls, understanding encryption technology, and being vigilant about the type of information one shares on the Internet. The problem of Internet identity theft is also presented as an overview.

The legal obligations of various entities, particularly financial institutions, of protecting the private information of Internet users is also explored, including Internet privacy policies and applicable laws. A discussion of online privacy protection for children, which encompasses the governing law is included.

In addition, this Almanac sets forth the role of the Federal Trade Commission (FTC) in enforcing privacy rights, including a review of some of the major enforcement cases brought by the FTC.

The Appendix provides resource directories, applicable statutes, and other pertinent information and data. The Glossary contains definitions of many of the terms used throughout the Almanac.

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CHAPTER 1:

SECURING YOUR COMPUTER

IN GENERAL

The "Internet" was initially conceived for military purposes in 1962 as a decentralized computer network to protect the ability of the military command to communicate in case of a nuclear attack. It took seven years to develop the prototype, which initially consisted of four computer networks located at three universities and one research facility.

Since that time, the Internet has grown tremendously. It has provided the public with a revolutionary tool for marketing, banking and communication. We are able to access all sorts of information and entertainment; perform banking and other financial activities online; purchase products from all over the world; and even work conveniently from home or away while still being able to communicate efficiently with our main office location.

Unfortunately, along with the tremendous advantages the Internet provides, there are great risks. Internet use opens up a gateway to our personal information, our security and safety. The Internet enhances the availability and accessibility of personal identifying information, and thus creates greater risks for consumers and greater opportunities for criminal activity.

Registering for online services generally requires the consumer to provide personal information, including financial information. In addition, there are many scams being perpetrated on the Internet that fool the consumer into revealing personal information. Those seeking to invade the privacy of Internet users, often for criminal purposes, are constantly seeking to decode the massive amount of data being transmitted on the Internet.

In addition, the Internet has become a popular social networking system for adults and children. There are chat rooms, online dating services, and virtual reality “cybersocieties” where individuals meet and socialize with each other in cyberspace. Unfortunately, there are predators who visit these websites with no good intentions. Thus it is important for all those who engage in social networking on the Internet to be aware of potential dangers. This is particularly important for children who are naïve and more likely to be lured into an unsafe and risky situation.

Therefore, it is crucial that Internet users carefully safeguard their personal information to protect their privacy and minimize the risk of becoming a victim. As further discussed in this Almanac, securing a computer and protecting one’s personal information is largely a matter of routine maintenance. Nevertheless, these procedures are frequently neglected by the average Internet user, exposing them to a potential disaster.

When an individual signs on to the Internet through an Internet Service Provider (ISP), they engage in “online communication.” The information that they communicate necessarily passes through multiple computer systems to reach its destination. As the information passes through the various computer systems, the capability of the computer system to “capture” and “store” the information exists.

There is no way that anyone using the Internet can be guaranteed complete privacy of the information transmitted online. Nevertheless, as discussed below, the degree to which one’s personal information is potentially exposed depends, in large part, on the nature of their online activity.

INTERNET ACCESS

Dial-Up

Dial-up Internet access is achieved by using existing telephone lines. A modem is used to connect the telephone line to an Internet Service Provider (ISP) with whom the user has an account. In rural areas, dial-up service may be the only way to access the Internet. Unfortunately, dial-up service is slow and the quality of the connection is inferior. Internet pages load very slowly and it is difficult to stream media, such as audio and video content.

Broadband

Broadband Internet access—also known as “high speed” Internet access—has largely replaced dial-up service for most Internet users.